

COUNCIL ON HOUSING  
Public Session  
Huling Cove Community Building  
Lewes, DE  
June 8, 2011

**Motions**

- Approval of April 13, 2011 Minutes.
- Approval of Wexford Village, Interest revisions, Resolution No. 425.
- Approval of Housing Counseling for DSHA Second Mortgage Assistance Loan (SMAL) program, Resolution No. 426.

**Important Dates**

- June 16 – webinar regarding long-term affordability near transit areas.
- July 13 – Council meeting.

Norma Zumsteg, Chair, called to order the public session of the Council on Housing at 2:10 p.m. on June 8, 2011. In addition to Ms. Zumsteg, the following Council members were present:

Pat Batchelor  
Russ Huxtable  
Hugh Leahy  
Connie Louder

Donna Mitchell  
Ralph Peters  
Ruth Sokolowski  
Vincent White

The following Council member was absent and excused from the meeting:

Anita Auten

Also attending:

Anas Ben Addi, Director, Delaware State Housing Authority (DSHA)  
Timothy S. McLaughlin, Deputy Director, DSHA  
Lynda Blythe, Administrative Specialist III, DSHA  
Cynthia Deakyne, Housing Asset Manager, DSHA  
Devon Degyansky, Management Analyst I, DSHA  
Susan Eliason, Director of Housing Development  
Matthew Heckles, Legislative and Policy Advisor, DSHA  
Cynthia Karnai, Director of Housing Finance

Guests present:

Joe Myer, National Council on Agricultural Life and Labor Research Fund, Inc.  
(NCALL)

Gary Pollio, Interfaith Community Housing of Delaware, Inc.  
Ken Smith, Delaware Housing Coalition (DHC)  
Van Temple, Delaware Housing Coalition  
Sheba Vine, The Danneman Firm

### **APPROVAL OF MINUTES**

Upon motion by Mr. Peters, and seconded by Mr. Huxtable, the Minutes of April 13, 2011 were unanimously approved as written.

### **DELAWARE HOUSING COALITION PRESENTATION**

Messrs. Smith and Temple presented, on behalf of the DHC, a review (copy attached) of permanent affordability, shared equity, and homeownership in Delaware.

Mr. Smith stated DHC is dedicated to creating affordable housing distributed evenly throughout the state. The concept of CLTs, represented by Diamond State CLT, continued Mr. Smith, is as a way of placing more balanced emphasis on housing as a dwelling as opposed to as an investment, emphasis on the stability of communities, as well as providing permanent affordability. The goals of both entities made for a logical partnership which was created and has led to the founding of the first statewide CLT in the U.S. DHC has placed a link entitled "Why Not in My Backyard" on their website, providing local and national information on the need for equity in housing, which Mr. Smith encouraged Council to access.

Mr. Temple noted CLT's create preservation by design and that there are currently 24 homes in CLT inventory in Delaware, mainly in Kent and Sussex Counties. The foreclosure rate on CLT's is only 1/10 of the national average per Mr. Temple and, after five years of ownership, 90% of CLT owners remain homeowners versus 50% of non-CLTs. National efforts for funding, per Mr. Temple, include a Cornerstone partnership as well as working with the Federal Housing Administration (FHA) and the U.S. Department of Housing and Urban Development (HUD). Mr. Temple encouraged Council to participate in a webinar to take place on June 16 regarding long-term affordability near transit and other location-efficient areas as outlined in the attached handout.

In closing, Mr. Smith and Mr. Temple urged incentives for tax credits for CLTs to promote architectural, affordable, and ownable designs, a review of impediments to projects, and reminded Council that CLT properties remain as such and never become rental properties.

### **DSHA REPORT**

Mr. Ben Addi reported on the following dates of note:

- May 4 – Bond Bill Hearing -
  - DSHA requested \$4 million for preservation and \$1.5 for the new State Rental Assistance Program (SRAP).
  - An additional \$10 million for multi-family housing through the Bond Bill was announced by the Governor for the purpose of providing job creation, economic impacts, and long-term affordable housing.

- DSHA is working with the Office of Management and Budget to handle the \$10 million similarly to Housing Development Funds.
- Council was thanked for their support and participation at the hearing, specifically Ms. Zumsteg who gave a brief presentation supporting DSHA's request.
- SRAP -
  - Program details will be presented by Mr. Heckles at a future Council meeting.
  - Program is designed to provide rental subsidy for individuals who are moving from institutional care, in need of supportive housing, or are at risk of entering institutional care.
  - DSHA requested \$1.5 million for the program and is receiving strong support advocating for additional funds.
- Mortgage default counseling -
  - DSHA received \$250,000 last year to help prevent foreclosure in general.
  - \$150,000 of the funds was allocated to sustain increased capacities within the counseling agencies.
  - Additional funds from Discover (\$75,000) and United Way (\$50,000) brought the total for counseling to \$275,000.
  - Using the Request for Proposal process, four agencies were selected to receive the counseling funds: NCALL, First State, Consumer Credit Counseling Services (CCCS) and the YWCA.
- Ms. Eliason was introduced as the new Director of Housing Development.

## **COMMITTEE REPORTS**

### **LOAN REVIEW**

Mr. Leahy, referring to comments Council received regarding the Loan Review Committee meeting on June 1<sup>st</sup>, explained that the two requests, because they benefit DSHA directly, require Council approval rather than their recommendation for approval. Therefore, after due consideration, it is the committee's recommendation that Council approve:

- Wexford Village Housing Corporation - Mr. Leahy moved, and Ms. Sokolowski seconded, that the amendment to Resolution No. 425 be approved. The motion passed 6 to 0 with Ms. Batchelor and Mr. Huxtable abstaining.
- Housing Counseling for DSHA Second Mortgage Assistance Loan (SMAL) – Mr. Heckles presented a detailed overview of the new program after which Mr. Peters moved that Resolution No. 426 be approved. Mr. Huxtable seconded the motion which was passed by a vote of 5-0 with Ms. Louder, Ms. Mitchell and Mr. White abstaining.

Mr. Leahy stated the committee had discussed current HDF policies and principals which would continue to be applied with the additional clarification as noted on the attached HDF Homebuyer Grant Example. Several questions came up about funding policies and, after some conversation, it was decided to table the conversation, send it back for further review and discussion by the committee, and information would be presented back to the full Council at a later date.

### OPERATIONS COMMITTEE

Ms. Louder stated that, although the committee had met, there was no report at this time.

### HOUSING POLICY COMMITTEE

Although the committee had met, Ms. Sokolowski stated there was no report at this time.

### COMMUNICATIONS COMMITTEE

No report was available at this time per Mr. Leahy and Mr. Peters.

### OLD/NEW BUSINESS

Mr. White urged Council to review two bills currently being considered:

- HB166 proposing the state's portion of the transfer tax be waived for first-time homebuyers which could be a revenue enhancer.
- HB48 and 49, SB 56 and 57 requiring persons involved in loan modifications to be registered.

### SCHEDULING OF NEXT MEETING

The next meeting will be held at 2:00 p.m. on July 13, 2011 at Buena Vista Conference Center in New Castle, DE.

### ADJOURNMENT

Upon motion made by Mr. White, and seconded by Mr. Huxtable and Ms. Batchelor, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,

  
Lynda T. Blythe

Note: Copies of materials referenced as "attached" in these Minutes are available upon request.